

Government announces suspension of IR35 changes

The Chief Secretary to the Treasury announced yesterday (see below) that the proposed reforms to IR35 are being suspended until 6 April 2021 in view of the current situation following the spread of the coronavirus:

The Chief Secretary to the Treasury (Steve Barclay):

As my right hon. Friend has said, we will do whatever it takes to give the British people the tools to get through this challenge.

I can also announce that the Government are postponing the reforms to the off-payroll working rules IR35 from April 2020 to 6 April 2021. The Government will therefore not move the original resolution tonight, but will shortly table an additional resolution confirming that we will reintroduce the off-payroll working rules provisions by amending the Bill, with a commencement date of the 6 April 2021.

This is a deferral in response to the ongoing spread of covid-19 to help businesses and individuals. This is a deferral, not a cancellation, and the Government remain committed to reintroducing this policy to ensure that people who are working like employees, but through their own limited company, pay broadly the same tax as those employed directly.

Source: [https://hansard.parliament.uk/Commons/2020-03-17/debates/9038AB35-B474-48EC-83EC-A1CA7347043A/IncomeTax\(Charge\)](https://hansard.parliament.uk/Commons/2020-03-17/debates/9038AB35-B474-48EC-83EC-A1CA7347043A/IncomeTax(Charge))

I am pleased with this outcome and will continue to encourage the Government to look again at the proposed changes.